

Regular Session, 2003

SENATE BILL NO. 828

BY SENATOR BOISSIERE

GAMING. Authorizes slot machine gaming at an eligible live horse racing facility in Orleans Parish and specifies fund dedications in St. Landry and Bossier Parishes.

1 AN ACT

2 To amend and reenact R.S. 27:353(4), 361(C), and 392(B)(2)(b), (3)(a), (b),  
3 and (c)(i), and (4), and (6) and to enact R.S. 27:363(C), 372.1 and  
4 392(B)(3)(d) and (7), relative to Pari-mutuel Live Racing Facility  
5 Economic Redevelopment and Gaming Control Act; to provide with  
6 respect to slot machine gaming at live racing facilities; to authorize slot  
7 machine gaming at an eligible facility in Orleans Parish; to create the  
8 Bossier Parish Truancy Program Fund; to provide with respect to the  
9 allocation of revenue from facilities in certain parishes; to provide for  
10 the authority of the Gaming Control Board to approve, execute, and  
11 implement an amendment of the casino operating contract and issue or  
12 modify regulatory approvals related thereto; to provide limitations on  
13 the number of slot machines operated at an eligible facility in Orleans  
14 Parish; and to provide for related matters.

15 Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 27:353(4), 361(C), and 392(B)(2)(b), (3)(a), (b), and (c)(i), and (4), and (6) are hereby amended and reenacted and R.S. 27:363(C), 372.1 and 392(B)(3)(d) and (7) are hereby enacted to read as follows:

§353. Definitions

When used in this Chapter, the following terms shall have these meanings:

\* \* \*

(4) "Eligible facility" means no more than one facility in St. Landry Parish, Bossier Parish, **Orleans Parish**, and Calcasieu Parish at which the Louisiana State Racing Commission has licensed the conduct or at which the commission has approved the future licensing of the conduct of not less than eighty days within a consecutive twenty-week period each year of live horse race meetings.

\* \* \*

§361. Conduct of slot machine gaming; temporary conduct

\* \* \*

C.**(1)** An application may be approved by the board only after the electorate in the parish in which the eligible facility is located or, is proposed to be located, as provided for in Subsection D of this Section, has approved the conduct of slot machine gaming at such facility at an election, as provided in Part III of this Chapter.

**R.S. 27:361(C)(2) is all proposed new law.**

(2) In addition to the requirements of Paragraph (1) of this Subsection, an application for an eligible facility in Orleans Parish may be approved by the board only after the Amended and Renegotiated

Casino Operating Contract entered into pursuant to R.S. 27:201 et seq., on October 30, 1998, as amended effective October 19, 1999, March 29, 2001, and March 31, 2001, has been further amended to provide that the inclusion, licensing, or operation of an eligible facility in Orleans Parish shall not constitute an Exclusivity Violation or prohibited land-based gaming as defined in such contract, as amended, following approval of such amendment by the Joint Legislative Committee on the Budget as required by the provisions of Subsection B of Section 3 of Act No. 1 of the First Extraordinary Session of 2001.

\* \* \*

§363. Suitability standards

\* \* \*

**R.S. 27:363(C) is all proposed new law.**

C.(1) The applicant must have a good faith plan to recruit, train, and upgrade minorities in all employment classifications.

(2) It shall be required by the owners, to provide the maximum practical opportunities, for participation by the broadest number of minority-owned businesses. Such offering of participation by owners to the disadvantaged business enterprises who qualify under the provision of this Chapter, shall be at a price not to exceed the price paid per share or interest paid by the ownership interests.

(3) The legislature hereby further directs that the written policies, procedures, and regulations shall provide for the inclusion of businesses owned by minorities to the maximum extent practicable.

(4)(a) All businesses or vendors selected by the eligible facility for any purpose shall strictly adhere to the nondiscrimination policies

1 and practices embodied in applicable federal, state, and local law.

2 (b) Any business, vendor, and/or contractor selected by the  
3 eligible facility to operate slot machine gaming contemplated herein  
4 shall, as nearly as practicable, employ minorities consistent with the  
5 population of the state.

6 \* \* \*

7 §372.1. Limitations on the number of slot machines operated at an  
8 eligible facility in Orleans Parish

9 **R.S. 27:372.1 is all proposed new law.**

10 A. Notwithstanding any provision of law to the contrary, a  
11 license issued by the board to conduct slot machine gaming at an  
12 eligible facility in Orleans Parish shall be subject to the following  
13 limitations regarding the number of slot machines which may be  
14 operated at the eligible facility:

15 (1) On or after July 1, 2003, the eligible facility shall be  
16 authorized to have a maximum of three hundred slot machines at the  
17 eligible facility.

18 (2) On or after July 1, 2004, the eligible facility shall be  
19 authorized to have a maximum of four hundred slot machines at the  
20 eligible facility.

21 (3) On or after July 1, 2005, the eligible facility shall be  
22 authorized to have a maximum of five hundred slot machines at the  
23 eligible facility.

24 (4) At any time after July 1, 2005, in the event the gross gaming  
25 revenues of the casino gaming operator as defined in R.S. 27:205(5)  
26 exceed three hundred fifty million dollars for any preceding twelve-

1 month period, the eligible facility shall be authorized to have a  
2 maximum of seven hundred slot machines.

3 B. Notwithstanding the provisions of Subsection A of this  
4 Section if the Amended and Renegotiated Casino Operating Contract  
5 entered into on October 30, 1998, as previously amended effective  
6 October 19, 1999, March 29, 2001, and March 31, 2001, is terminated  
7 and the state of Louisiana does not become a party to any other casino  
8 operating contract as defined in R.S. 27:205(6) which contains  
9 exclusivity provisions in accordance with R.S. 27:201 et seq., the  
10 eligible facility located in Orleans Parish shall not be limited to a fixed  
11 number of slot machines which may be placed in the designated gaming  
12 area provided for in R.S. 27:372.

13 C. An eligible facility located in Orleans Parish shall be subject  
14 to all licensing requirements and limitations provided by this Chapter  
15 in addition to the provisions of this Section.

16 \* \* \*

17 §392. Collection and disposition of fees and taxes

18 \* \* \*

19 B.(1) \* \* \*

20 (2) \* \* \*

21 (b) Monies in the Gaming Control Fund shall be withdrawn only  
22 pursuant to appropriation by the legislature and shall be used solely for  
23 the expenses of the board, the Department of Justice, and the division  
24 which are necessary to carry out the provisions of this Chapter. Monies  
25 in the fund remaining after appropriation for expenses of the board, the  
26 Department of Justice, and the division shall be credited as **hereinafter**

provided in ~~Paragraph (4)~~ of this Subsection.

\* \* \*

(3) After complying with the provisions of Paragraphs (1) and (2) of this Subsection, the state treasurer shall, each fiscal year, credit five percent of the state portion of taxable net slot machine proceeds collected from each licensed eligible facility to the following special funds:

(a) ~~The Bossier Educational Excellence Fund in Bossier Parish from the proceeds derived from the licensed eligible facility in Bossier Parish.~~ **(i) The Bossier Parish Truancy Program Fund, which is hereby created in the state treasury from the proceeds derived from the licensed eligible facility in Bossier Parish. Monies in the Bossier Parish Truancy Program Fund, for purposes of this Subparagraph referred to as the "fund", shall be withdrawn only pursuant to appropriation by the legislature and shall be used solely and exclusively by the district attorney in the Twenty-Sixth Judicial District to support a truancy program and truancy related matters within the Twenty-Sixth Judicial District.**

**(ii) Monies in the fund shall be invested by the state treasurer in the same manner as monies in the state general fund. Interest earned on investment of monies in the fund shall be credited to the fund. Unexpended and unencumbered monies in the fund at the end of each fiscal year shall remain in the fund.**

(b)**(i) The St. Landry Parish Excellence Fund in St. Landry Parish which is hereby created in the state treasury from proceeds derived from the licensed eligible facility in St. Landry Parish.**

1 Monies in the St. Landry Parish Excellence Fund, for purposes of this  
2 Subparagraph referred to as the “fund”, shall be withdrawn only  
3 pursuant to appropriation by the legislature and shall be used solely and  
4 exclusively by the St. Landry School Board **and the Louisiana**  
5 **Community and Technical College System** as provided in this  
6 Subparagraph. **Monies in the fund shall be used solely and**  
7 **exclusively for the construction and operation of a Career and**  
8 **Technology Center to be located in St. Landry Parish. The Career**  
9 **and Technology Center shall serve secondary and postsecondary**  
10 **students and shall provide occupational and workforce training.**  
11 **All courses of instruction provided at the Career and Technology**  
12 **Center shall be approved by the Board of Supervisors of**  
13 **Community and Technical Colleges.**

14 (ii) Monies in the fund shall be invested by the state treasurer in  
15 the same manner as monies in the state general fund. Interest earnings  
16 on investment of monies in the fund shall be credited to the fund.  
17 Unexpended and unencumbered monies in the fund at the end of each  
18 fiscal year shall remain in the fund. ~~The principle in the fund may not~~  
19 ~~be appropriated. Interest earnings may be appropriated, but only for~~  
20 ~~enhancements to the education program in St. Landry Parish.~~

21 (c)(i) The Calcasieu Parish Excellence Fund, ~~in Calcasieu Parish~~  
22 which is hereby created in the state treasury, **from the proceeds**  
23 **derived from the licensed eligible facility in Calcasieu Parish.**

24 Monies in the Calcasieu Parish Excellence Fund, for purposes of this  
25 Subparagraph referred to as the “fund”, shall be withdrawn only  
26 pursuant to appropriation by the legislature. Monies in the fund shall

1 be invested by the state treasurer in the same manner as monies in the  
2 state general fund. Interest earnings on investment of monies in the  
3 fund shall be credited to the fund. Unexpended and unencumbered  
4 monies in the fund at the end of each fiscal year shall remain in the  
5 fund.

6 \* \* \*

7 **R.S. 27:392(B)(3)(d) is all proposed new law.**

8 (d) The Orleans Parish Excellence Fund which is hereby created  
9 in the state treasury from the proceeds derived from the licensed  
10 eligible facility in Orleans Parish. Monies in the Orleans Parish  
11 Excellence Fund, for purposes of this Subparagraph referred to as the  
12 "fund", shall be withdrawn only pursuant to appropriation by the  
13 legislature and shall be used solely and exclusively by the Louisiana  
14 Community and Technical College System as provided in this  
15 Subparagraph. Monies in the fund shall be used solely and exclusively  
16 for the construction and operation of an Allied Health and Nursing  
17 Program and campus to be located in Orleans Parish. The Allied  
18 Health and Nursing Program and campus shall serve secondary and  
19 postsecondary students and shall provide occupational and workforce  
20 training. All courses of instruction provided at the Allied Health and  
21 Nursing Program shall be approved by the Board of Supervisors of  
22 Community and Technical Colleges. Monies in the fund shall be  
23 invested by the state treasurer in the same manner as monies in the state  
24 general fund. Interest earnings on investment of monies in the fund  
25 shall be credited to the fund. Unexpended and unencumbered monies  
26 in the fund at the end of each fiscal year shall remain in the fund.



(4) After complying with the provisions of Paragraphs (1) ~~and~~  
~~(2)~~ **through (3)** of this Subsection, the state treasurer shall, each fiscal  
year, credit a total of twelve million dollars from the combined taxable  
net slot machine proceeds collected by the state from each licensed  
eligible facility, as defined herein, to the fund previously established by  
R.S. 3:277. These proceeds shall be expended, utilizing any or all  
powers granted to the Louisiana Agricultural Finance Authority,  
including the funding or securing of revenue bonds, exclusively for  
meeting the needs of the Boll Weevil Eradication program and other  
agricultural, agronomic, horticultural, silvicultural or aquacultural,  
industrial, or economic development programs.

\* \* \*

**R.S. 27:392(B)(6) is all proposed new law.**

(6) After compliance with the provisions of Paragraphs (1)  
through (5) of this Subsection, pursuant to an annual appropriation by  
the legislature, remaining monies in an amount of fifty thousand dollars  
shall be used solely and exclusively for the Southern University Urban  
Tourism and Marketing Program and fifty thousand dollars shall be  
used solely and exclusively for the Orleans Parish District Attorney's  
Office.

~~(7)~~ After compliance with the provisions of Paragraphs (1)  
through (6) of this Subsection, remaining monies shall be deposited in  
and credited to the state general fund.

Section 2. In addition to the authority provided in R.S. 27:245(A), the  
board is expressly authorized to approve, execute, and implement an  
amendment to any of the provisions of the Amended and Renegotiated Casino

1 Operating Contract entered into on October 30, 1998, as previously amended  
2 effective October 19, 1999, March 29, 2001, and March 31, 2001, consistent  
3 with the provisions of this Act and to issue or modify any regulatory provisions  
4 or approvals related thereto, following approval of such amendment by the  
5 Joint Legislative Committee on the Budget as required by the provisions of  
6 Subsection B of Section 3 of Act No. 1 of the First Extraordinary Session of  
7 2001. The exercise of this authority shall not be subject to or limited by the  
8 provisions of R.S. 27:25 and 26, or any of the provisions of the Administrative  
9 Procedure Act.

---

The original instrument was prepared by Camille A. Sebastien.  
The following digest, which does not constitute a part of the  
legislative instrument, was prepared by Diane M. Burkhart.

---

Boissiere (SB 828)

DIGEST

Present law authorizes the conducting of slot machine gaming at eligible horse racing facilities.

Present law defines an "eligible facility" as no more than one facility in St. Landry Parish, Bossier Parish, and Calcasieu Parish at which the Louisiana State Racing Commission has licensed the conduct or at which the commission has approved the future licensing of the conduct of not less than 80 days within a consecutive 20-week period each year of live horse race meetings.

Proposed law includes a facility in Orleans Parish.

Proposed law provides for nondiscrimination policies.

Present law provides that an application may be approved by the board only after the electorate in the parish in which the eligible facility is located or, is proposed to be located, has approved the conduct of slot machine gaming at such facility at an election.

Proposed law retains this provision of present law and further provides that an application for an eligible facility in Orleans Parish may be approved by the board only after the Amended and Renegotiated Casino Operating Contract entered into pursuant to R.S. 27:201 et seq., on October 30, 1998, as amended, effective October 19, 1999, March 29, 2001, and March 31, 2001, has been further amended to provide that the inclusion, licensing, or operation of an eligible facility in Orleans Parish shall not constitute an Exclusivity Violation or prohibited land-based gaming as defined in such contract, as amended,

following approval of such amendment by the Joint Legislative Committee on the Budget as required by the provisions of Subsection B of Section 3 of Act No. 1 of the 2001 1st Extraordinary Session of the Legislature.

Proposed law further provides that a license issued by the board to conduct slot machine gaming at an eligible facility in Orleans Parish shall be subject to the following limitations regarding the number of slot machines which may be operated at the eligible facility:

- (1) On or after July 1, 2003, the eligible facility shall be authorized to have a maximum of 300 slot machines at the eligible facility.
- (2) On or after July 1, 2004, the eligible facility shall be authorized to have a maximum of 400 slot machines at the eligible facility.
- (3) On or after July 1, 2005, the eligible facility shall be authorized to have a maximum of 500 slot machines at the eligible facility.
- (4) At any time after July 1, 2005, in the event the gross gaming revenues of the casino gaming operator exceed \$350 million for any preceding 12-month period, the eligible facility shall be authorized to have a maximum of 700 slot machines.

Proposed law provides that if the casino operating contract is terminated and the state of Louisiana does not become a party to another casino operating contract which contains exclusivity provisions that the eligible facility shall not be subject to a limitation on the number of slot machines which may be placed in the designated gaming area.

Proposed law provides that the board is expressly authorized to approve, execute, and implement an amendment to any of the provisions of the Amended and Renegotiated Casino Operating Contract entered into on October 30, 1998, as previously amended effective October 19, 1999, March 29, 2001, and March 31, 2001, consistent with the provisions of proposed law and to issue or modify any regulatory provisions or approvals related thereto, following approval of such amendment by the Joint Legislative Committee on the Budget as required by the provisions of Subsection B of Section 3 of Act No. 1 of the 2001 First Extraordinary Session. Excepts authority from R.S. 27:25 and 26 or any provisions of the APA.

Present law provides that the state treasurer shall, each fiscal year, credit 5% of the state portion of taxable net slot machine proceeds collected from each licensed eligible facility to the following special funds:

- (1) The Bossier Educational Excellence Fund.
- (2) The St. Landry Parish Excellence Fund.
- (3) The Calcasieu Parish Excellence Fund.

Proposed law specifies that the 5% credited to a fund in each parish is taken from the proceeds derived from the licensed facility in that parish.

Proposed law changes the dedication in Bossier Parish from the Bossier Educational Excellence Fund (BEEF) to the Bossier Parish Truancy Program Fund, to be withdrawn pursuant to appropriation by the legislature and used solely by the district attorney in the Twenty-Sixth Judicial District to support a truancy program and truancy related matters within the Twenty-Sixth Judicial District. Interest earned on investment of fund money is credited to the fund and unexpended and unencumbered money remains in the fund at the end of the fiscal year.

Present law dedicates the money in the St. Landry Parish Excellence Fund for the use of the St. Landry School Board.

Proposed law includes the Louisiana Community and Technical College System as well as the school board in using the money in the fund solely for the construction and operation of a Career and Technology Center in St. Landry Parish to serve secondary and postsecondary students and provide occupational and workforce training. All courses of instruction at the center must be approved by the Board of Supervisors of Community and Technical Colleges. Authorizes appropriation of fund principle.

Proposed law adds the Orleans Parish Excellence Fund as a recipient of 5% of the proceeds from the proposed facility in that parish. The Louisiana Community and Technical College System may use the money solely for the construction and operation of an Allied Health and Nursing Program and campus in the parish to serve secondary and postsecondary students and provide occupational and workforce training. All courses of instruction provided in the program must be approved by the Board of Supervisors of Community and Technical Colleges. Interest earned on investment of fund money is credited to the fund and unexpended and unencumbered money remains in the fund at the end of the fiscal year.

Proposed law includes the distribution of the portion of state taxable net slot machine proceeds to the Bossier Truancy Fund, the St. Landry Parish Excellence Fund, the Calcasieu Parish Excellence Fund, and the Orleans Parish Excellence Fund in the distributions that occur prior to distributions for expenditure pursuant to the powers of the La. Agricultural Finance Authority for boll weevil eradication and other agricultural programs.

Proposed law adds, after all other specified distributions of net taxable proceeds are fulfilled and prior to deposit of the remainder in the state general fund, a distribution, pursuant to annual appropriation, of \$50,000 to the Southern University Tourism and Marketing Program and \$50,000 for the Orleans Parish District Attorney's office.

(Amends R.S. 27:353(4) and 361(C), and 392(B)(2)(b), (3)(a), (b), and (c)(i) and (4) and (6); adds R.S. 27:363(C), 372.1 and 392(B)(3)(d))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Judiciary B to the original bill.

1. Requires an applicant to have a good faith plan to recruit, teach, and upgrade minorities in all employment classifications and to provide maximum opportunities for participation by the broadest number of minority-owned businesses.
2. Further requires that all businesses and vendors selected by an eligible facility adhere to nondiscrimination policies and practices and employ minorities consistent with the population of the state.
3. Amends St. Landry Parish Excellence Fund to provide for vocational-technical high school curriculum.

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the engrossed bill.

1. Changes the dedication in Bossier Parish from the Bossier Educational Excellence Fund (BEEF) to the Bossier Parish Truancy Program Fund used by the district attorney of the 24th Judicial District.
2. Changes the dedication of the St. Landry Parish Excellence Fund from providing a vocational-technical high school program and curriculum to including the Louisiana Community and Technical College System as well as the school board in using money in the fund to construct and operate a Career and Technology Center in the parish. Authorizes appropriation of fund principle.
3. Changes the dedication of the Orleans Parish Excellence Fund from providing a vocational-technical high school program and curriculum to authorizing the Orleans Parish School Board and the Louisiana Community and Technical College System to use money in the fund to construct and operate an Allied Health and Nursing Program and campus in the parish.
4. Specifies that the 5% credited to a fund in each parish is taken from the proceeds derived from the licensed facility in that parish.

Senate Floor Amendments to reengrossed bill.

1. Includes the distribution of the state portion of taxable net slot machine proceeds to the Bossier Truancy Fund, the St. Landry Parish Excellence Fund, the Calcasieu Parish Excellence Fund, and the Orleans Parish Excellence Fund in the distributions that occur prior to distributions for expenditure pursuant to the powers of the La. Agricultural Finance Authority for boll weevil eradication and other agricultural programs.
2. Adds, after all other specified distributions of net taxable proceeds are fulfilled and prior to deposit of the remainder in the

state general fund, a distribution, pursuant to annual appropriation, of \$50,000, to the Southern University Tourism and Marketing Program and \$50,000 for the Orleans Parish District Attorney's office.

3. Deletes the Orleans Parish School Board as an entity authorized to expend money from the Orleans Parish Excellence Fund.